



## DEPARTMENT OF THE TREASURY

Internal Revenue Service  
TE/GE EO Examinations  
1100 Commerce Street, MC 4920 DAL  
Dallas, TX 75242

### TAX EXEMPT AND GOVERNMENT ENTITIES DIVISION

Release Number: 201521017  
Release Date: 5/22/2015  
UIL Code: 501.06-00

Date: October 23, 2014

Person to Contact:

Identification Number:

Contact Telephone Number:

EIN:

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Dear:

In a determination letter issued in year 19XX, \_\_\_\_\_ was originally granted exemption from Federal income tax under section 501(c)(6) of the Internal Revenue Code.

This determination letter was originally issued to \_\_\_\_\_ that was incorporated under the laws of \_\_\_\_\_ . The \_\_\_\_\_ officially dissolved the \_\_\_\_\_ corporation and reincorporated in the State of \_\_\_\_\_ on April 26, 20XX. Revenue Ruling 67-390, 1967-2 CB 179 provides that an exempt organization that was incorporated under the laws of one state, and at a later date was reincorporated under the laws of another state with no change in its purposes, is considered to be a new legal entity. The new entity may not be recognized as exempt, unless it files an application for exemption to establish that the new entity qualifies for exemption under the Internal Revenue Code and applicable regulations.

Based on this recent information received, your exemption from Federal income tax under IRC section 501(c)(6) of the Internal Revenue Code is hereby revoked effective April 26, 20XX. This is a final letter with regard to your tax-exempt status.

We previously provided you a report of examination explaining why we believe revocation of your exempt status was necessary. At that time, we informed you of your right to contact the Taxpayer Advocate, as well as your appeal rights. On August 12, 20XX, you signed Form 6018-A, *Consent to Proposed Action*, agreeing to the revocation of your exempt status under section 501(c)(6) of the Code.

During our examination of your Forms 990 and 990-T filed for tax periods ended June 30, 20XX and June 30, 20XX, we determined that your organization is described in Internal Revenue Code section 501(c)(6). Accordingly, we have accepted your returns as filed for those tax periods. This letter is not a determination of your qualification under section 501(a) for any period other than the tax periods listed above.

You may continue to file Forms 990 for succeeding tax years, so long as your organization meets the requirements for exemption. If you have not yet filed these returns, please file them with the Ogden Service Center within 60 days from the date of this letter, unless a request for an extension of time is granted. File returns for later tax years with the appropriate service center indicated in the instructions for those returns.

In the future, if you believe your organization qualifies for tax-exempt status and would like to establish its status, you may request a determination from the Internal Revenue Service by filing Form 1024, *Application for Recognition of Exemption Under Section 501(a)*, and paying the required user fee.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free, 1-877-777-4778, and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

Internal Revenue Service  
Office of the Taxpayer Advocate

If you have any questions, please contact the person whose name and telephone number are shown at the beginning of this letter.

Thank you for your cooperation.

Sincerely,

Stephen A. Martin  
Acting Director, EO Examinations

**Department of the Treasury**  
**Internal Revenue Service**  
**Tax Exempt and Government Entities Division**  
Exempt Organizations: Examinations  
3730 Elizabeth Ave.  
Independence, MO 64057

Date: July 2, 2014

Taxpayer identification number:

Form:

Tax year(s) ended:

June 30, 20XX

June 30, 20XX

Person to contact/ID number:

Contact numbers:

Telephone:

Fax:

Manager's name/ID number:

Manager's contact number:

Response due date:

**Certified Mail – Return Receipt Requested**

Dear:

**Why you are receiving this letter**

Enclosed is a copy of our report of examination explaining why revocation of your organization's tax-exempt status is necessary.

**What you need to do if you agree**

If you agree with our findings, please sign the enclosed Form 6018-A, *Consent to Proposed Action*, and return it to the contact at the address listed above. We'll send you a final letter revoking your exempt status.

**If we don't hear from you**

If we don't hear from you within 30 calendar days from the date of this letter, we'll process your case based on the recommendations shown in the report of examination and this letter will become final.

**Effects of revocation**

In the event of revocation, you'll be required to file federal income tax returns for the tax year(s) shown above. File these returns with the contact at the address listed above within 30 calendar

days from the date of this letter, unless a request for an extension of time is granted. File returns for later tax years with the appropriate service center indicated in the instructions for those returns.

**What you need to do if you disagree with our findings**

If you disagree with our position, you may request a meeting or telephone conference with the supervisor of the contact identified in the heading of this letter. You also may file a protest with the IRS Appeals office by submitting a written request to the contact person at the address listed above within 30 calendar days from the date of this letter. The Appeals office is independent of the Exempt Organizations division and resolves most disputes informally.

For your protest to be valid, it must contain certain specific information, including a statement of the facts, the applicable law and arguments in support of your position. For specific information needed for a valid protest, please refer to page one of the enclosed Publication 892, *How to Appeal an IRS Decision on Tax-Exempt Status*, and page six of the enclosed Publication 3498, *The Examination Process*. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process. Please note that Fast Track Mediation referred to in Publication 3498 generally doesn't apply after we issue this letter.

If you and Appeals don't agree on some or all of the issues after your Appeals conference, or if you don't request an Appeals conference, you may file suit in United States Tax Court, the United States Court of Federal Claims, or United States District Court after satisfying procedural and jurisdictional requirements.

You may also request that we refer this matter for technical advice as explained in Publication 892. Please contact the person identified in the heading of this letter if you're considering requesting technical advice. If we send a determination letter to you based on a technical advice memorandum issued by the Exempt Organizations Rulings and Agreements office, then no further IRS administrative appeal will be available to you.

**Contacting the Taxpayer Advocate Office is a taxpayer right**

You have the right to contact the office of the Taxpayer Advocate Service (TAS). **TAS is your voice at the IRS. This service helps taxpayers whose problems with the IRS are causing financial difficulties; who have tried but haven't been able to resolve their problems with the IRS; and those who believe an IRS system or procedure is not working as it should. If you believe you are eligible for TAS assistance, you can call the toll-free number 1-877-777-4778 or TTY/TDD 1-800-829-4059. For more information, go to [www.irs.gov/advocate](http://www.irs.gov/advocate).** If you prefer, you may contact your local Taxpayer Advocate at:

Internal Revenue Service  
Office of the Taxpayer Advocate

**For additional information**

If you have any questions, please call the contact at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

Barbara L. Harris  
Acting Director, EO Examinations

Enclosures:  
Report of Examination  
Form 6018-A  
Publication 892  
Publication 3498

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service <b>Explanation of Items</b>	Schedule No. or Exhibit
Name of Taxpayer		Year/Period Ended June 30, 20XX June 30, 20XX

**Issues:**

I. Whether the \_\_\_\_\_ corporation has a valid determination letter and whether the determination letter under which the \_\_\_\_\_ is operating should be revoked.

II. Whether the \_\_\_\_\_ should be filing Forms 990 and 990-T.

**Facts:**

The \_\_\_\_\_ corporation filed for tax-exempt status in 19XX and was granted exemption under 501(c)(6). On April 26, 20XX the \_\_\_\_\_ reincorporation in the State of \_\_\_\_\_ and later dissolved it \_\_\_\_\_ corporation. At that time the assets of the \_\_\_\_\_ corporation became the assets of the \_\_\_\_\_ corporation. The activities conducted by the new corporation were substantially the same as the activities that were conducted by the \_\_\_\_\_ corporation and were to promote the newspaper industry within the meaning of section 501(c)(6). The \_\_\_\_\_ did not file a new 1024 application after it reincorporated in the State of \_\_\_\_\_. The \_\_\_\_\_ corporation did assume the employee identification number and tax-exempt determination letter of the \_\_\_\_\_ corporation when it incorporated in the State of \_\_\_\_\_.

**Law:**

Section 1.501(a)-1(a)(2) of the Income Tax Regulations requires that, in order to establish exemption, an organization must file an appropriate application form with the District Director for the internal revenue district in which is located the principal place of business or principal office of the organization. Rulings or determination letters holding organizations exempt are effective so long as there are no material changes in the organization's character, purposes, or methods of operation.

Revenue Ruling 67-390, 1967-2 CB 179 provides an exempt organization incorporated under the laws of one state that was reincorporated under the laws of another state with no change in its purposes that a new legal entity has been created. The new entity must establish its exemption and must file an application for exemption to establish that the new entity qualifies for exemption under the Code and applicable regulations.

Section 1.501(c)(6)-1 of the Income Tax Regulations states, "A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of the kind ordinarily carried on for profit. It is an organization of the same general class as a

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chamber of commerce or board of trade. Thus, its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons. An organization whose purpose is to engage in a regular business of a kind ordinarily carried on for profit, even though the business is conducted on a cooperative basis or produces only sufficient income to be self-sustaining, is not a business league.”

**Issue I**

Whether \_\_\_\_\_ corporation has a valid determination letter and whether the determination letter under which the \_\_\_\_\_ is operating should be revoked.

**Taxpayer's Position**

It appears the \_\_\_\_\_ will agree the assumed determination letter originally issued to the \_\_\_\_\_ corporation is no longer valid and the determination letter should be revoked.

**Government's Position**

The \_\_\_\_\_ was originally granted exemption under the entity that was incorporated under the laws of the \_\_\_\_\_. The \_\_\_\_\_ officially dissolved the \_\_\_\_\_ corporation and reincorporated in the State of \_\_\_\_\_ on April 26, 20XX. Revenue Ruling 67-390, 1967-2 CB 179 provides an exempt organization incorporated under the laws of one state that was reincorporated under the laws of another state with no change in its purposes that a new legal entity has been created. The new entity must establish its exemption and must file an application for exemption to establish that the new entity qualifies for exemption under the Code and applicable regulations.

**Conclusion**

The determination letter assumed by the \_\_\_\_\_ corporation is not valid since it originally was issued to the \_\_\_\_\_ corporation. The determination letter under which the \_\_\_\_\_ corporation is operating under should be revoked as of April 26, 20XX, the date the \_\_\_\_\_ corporation was formed.

**Issue II**

Whether the \_\_\_\_\_ should be filing Forms 990 and 990-T.

**Taxpayer's Position:**

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The \_\_\_\_\_ believes they should still be filing Forms 990 and 990-T since the \_\_\_\_\_ corporation is operating within the meaning of Section 501(c)(6).

**Government' Position:**

During our examination we determined that your organization is described under Internal Revenue Code section 501(c)(6 ) for the tax periods ending June 30, 20XX and June 30, 20XX. Accordingly, we have accepted your return(s) for those tax period(s). In the future, if you believe your organization qualifies for 501©(6) tax-exempt status and would like to establish its status, you may request a determination from the Internal Revenue Service by filing Form 1024, *Application for Recognition of Exemption Under Section 501(a)*, and paying the required user fee.

**Conclusion:**

\_\_\_\_\_ can file Form's 990 and 990-T as long as the organization is operating within the meaning of IRC 501(c)(6).